Canada

Prince Edward Island

CANADA - PRINCE EDWARD ISLAND
AGREEMENT ON ALTERNATE ENERGY DEVELOPMENT

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THIS AGREEMENT made this day of , 1984.

BETWEEN: THE GOVERNMENT OF CANADA, (hereinafter called "Canada") herein represented by and acting through the Minister of Energy, Mines and Resources,

OF THE FIRST PART

AND: THE GOVERNMENT OF THE PROVINCE OF PRINCE EDWARD ISLAND (hereinafter called "Prince Edward Island") herein represented by and acting through the Minister of Energy and Forestry

OF THE SECOND PART

WHEREAS Canada and Prince Edward Island entered into an Economic and Regional Development Agreement on the day of , 1984, which provides that the parties may enter into subsidiary agreements to implement programs to develop alternate energy sources;

AND WHEREAS Canada and Prince Edward Island agree that the promotion of increased use of energy sources indigenous to Prince Edward Island will help alleviate the high cost of energy on Prince Edward Island and will stimulate local investment and employment;

AND WHEREAS the Minister of Energy, Mines and Resources pursuant to section 4 of the Oil Substitution and Conservation Act, may provide financial assistance to enable any provincial government to conduct research and to discover or make energy sources other than oil more readily available;

AND WHEREAS the Lieutenant Governor in Council by Order in Council of , 1984, authorized the Minister of Energy and Forestry to execute this Agreement on behalf of Prince Edward Island;

NOW, THEREFORE, Canada and Prince Edward Island agree as follows;

1. Interpretation

1.1 In this Agreement:

(a) "ERDA" means the Canada-Prince Edward Island Economic and Regional Development Agreement made on , 1984;

(b) "Federal Minister" means the Minister of Energy, Mines and Resources, Canada, and includes any person authorized to act on his behalf;

(c) "Provincial Minister" means the Minister of Energy and Forestry of the Province of Prince Edward Island and includes any person authorized to act on his behalf;

(d) "Management Committee" means the committee established pursuant to section 4;

(e) "Ministers" means the Federal and Provincial Ministers;

(f) "Program" means an area of activity or study described in Schedule A, carried out under the terms of this agreement;

(g) "Projects" means a specific task or part thereof implemented to effect the programs pursuant to Section 3; and

(h) "Eligible Expenses" means those costs described in section 8.

2. Purpose

2.1 The purpose of this Agreement is to establish the terms and conditions under which the Programs

described in Schedule A will be carried out in order to promote and develop alternate energy sources in Prince Edward Island.

2.2 Canada and Prince Edward Island shall each undertake, either directly or through agents or contractors, in accordance with their respective guidelines and procedures, the Programs for which each is responsible in accordance with Schedule B attached hereto.

3. Program

3.1 The purpose of this Agreement shall be accomplished through:

(a) the establishment of the Programs, described in Schedule A to this Agreement, listed below:

(i) Wood/Biomass Initiatives Program

(ii) Completion of the Energy Alternatives Study for Prince Edward Island

(iii) Energy from Waste Program

(iv) Charlottetown District Heating Plant Program, and

(b) such other projects or programs as may be approved by the Management Committee from time to time.

4. Management and Coordination

4.1 A Management Committee shall be established, consisting of four members, two of whom are to be appointed by the federal Minister, one being designated by him as Co-Chairman and two of whom are to be appointed by the Provincial Minister, one being designated by him as Co-Chairman, to be responsible for the general administration and management of the Agreement.

4.2 Two other persons may be appointed to the Management Committee, pursuant to Section 6.3 of ERDA.

4.3 A quorum for all meetings of the Management Committee shall be two members, one of whom shall be a member appointed by the federal Minister and one of whom shall be a member appointed by the provincial Minister.

4.4 Decisions of the Management Committee shall be acted upon only if the quorum of its members are unamimous. In those cases where the quorum of the Management Committee is unable to reach a unanimous decision, the matter shall be referred to the Ministers, whose decision shall be final.

4.5 The powers, duties and functions of the Management Committee shall be as set out below, and in carrying them out, the Management Committee may adopt such procedures and elaborate such guidelines, not inconsistent with this Agreement, as the Management Committee deems expedient and appropriate to achieve its purposes. The powers, duties and functions are:

(a) to approve all procedures in respect of its own meetings, including rules for the conduct of meetings and the making of decisions where the members are not physically present in one place;

(b) to meet at least twice a year for the purposes of this Agreement;

(c) to adopt such procedures, forms, reports and guidelines that are not inconsistent with this Agreement as it deems expedient and appropriate to achieve its purposes;

(d) to appoint co-secretaries to assist the Management Committee;

(e) to meet with representatives of federal and provincial departments or agencies or other persons as seems appropriate to facilitate co-operation and public good will in the management of the Agreement;

(f) to approve terms and conditions for the funding of Programs under this Agreement;

(g) to ensure the preparation within six months of the date of signing of this Agreement, of a comprehensive strategic

plan for the implementation of all the Programs under this Agreement, and to prepare and approve a work plan and before April 1 of each year of this Agreement thereafter, identifying which of the Programs described in Schedule A will be carried out during the year and by whom, the anticipated date of completion for each of those Programs and the Eligible Expenses to be budgeted for each Program in the year;

(h) to approve all contracts awarded under this Agreement before they are entered into by either Canada or Prince Edward Island;

(i) to approve the establishment of technical, public information and other sub-committees, as required;

(j) to submit progress reports to Ministers annually prior to the annual meeting of ERDA Ministers referred to in section 5.1 of ERDA, or as requested;

(k) to submit a financial report for the purposes of section 6.4 of ERDA;

(l) to ensure a full and free flow of information between the parties;

(m) to make available to government departments, the results obtained under this Agreement to allow them to identify human, social, and economic development opportunities;

(n) to develop a human resource plan for any Program which identifies significant human resource implications to ensure that the required human resources are available to accomplish the objectives of the Program;

(o) to ensure the preparation of and to approve a communications strategy and program to serve the information

requirements of the public and to encourage public awareness of the activities of both governmens under this Agreement;

(p) to approve promotional material released under this Agreement;

(q) to allocate the Programs described in Schedule A to the parties and to authorize the allocation of funds from one Program to another Program described in Schedule A;

(r) to ensure that all contracts entered into pursuant to the provisions of this Agreement incorporate all the relevant provisions of this Agreement;

(s) to add, amend or delete any Program in Schedule A where it considers that such a change will further the purposes of this Agreement; and

(t) to carry out any other duties, powers or functions specified elsewhere in this Agreement, or any duties as may be assigned to the Management Committee by the Ministers in writing.

5. Term Of The Agreement

5.1 This Agreement shall come into effect on April 1, 1984, and shall terminate on March 31, 1989, or such earlier date as may be agreed to in writing by the Ministers. No projects may be approved after the termination date of this Agreement.

5.2 Costs incurred for projects approved prior to the termination date of this Agreement shall be deemed to be Eligible Expenses if they are incurred during the year following termination of the Agreement and submitted for payment within two years of the date of termination of this Agreement.

5.3 A portion of the funds provided under this Agreement shall be set aside by the Management Committee to pay for Eligible Expenses for which invoices are received between April 1, 1989, and March 31, 1991, in

respect of Projects approved before March 31, 1989, and completed before March 31, 1990. The Management Committee shall be continued until March 31, 1991, with the necessary powers to complete all matters outstanding under this Agreement.

6. Operations

6.1 In awarding contracts for specific projects to implement the Programs described in Schedule A, the parties agree to retain the services of Canadian firms or individuals, in particular, Prince Edward Island firms and individuals, as suppliers of labour, goods and services, where it is consistent with proper economy and expeditious performance of the contract.

6.2 The following conditions shall be included in any contract awarded pursuant to this Agreement;

(a) any member of the Management Committee, or a duly authorized representative, shall be permitted to inspect the subject matter of the contract at all reasonable times;

(b) labour required for the project shall be recruited through the offices of the Canada Employment and Immigration Commission (CEIC) unless the Management Committee considers, after consultation with CEIC, that this service cannot reasonably be provided;

(c) Technical and other information obtained as a result of the contract shall be the property of Canada and Prince Edward Island; and

(d) The contractor shall indemnify and save harmless Canada and Prince Edward Island from and against any and all claims, damages, loss, cost and expenses which they or either of them may incur or suffer as a result of, or arising out of, any injury to persons (including injuries resulting in death), or loss of damage to property of others, which may be or be alleged to be caused to be suffered as a result of the carrying out of any project under this Agreement.

7. Financial Provisions

7.1 Subject to the appropriation of funds by Parliament for this Agreement and subject to Section 8.2, Canada's share of the cost of this Agreement is described in Schedule B attached to this Agreement.

7.2 Nothwithstanding anything contained in this Agreement, Canada's liability for the payment of monies under this Agreement shall in no event exceed $8,000,000.00.

7.3 Canada may reduce the amount, otherwise payable by Canada under this Agreement, by any amount which Prince Edward Island has received from any other federal program and applied as a part of its payment under this Agreement.

7.4 Subject to the appropriation of funds by the legislature and to Section 8.4 Prince Edward Island's share of the cost of this Agreement is described in Schedule B attached to this Agreement.

7.5 Nothwithstanding anything contained in this Agreement, Prince Edward Island's liability for the payment of monies under this Agreement shall in no event exceed $2,000,000.00

7.6 Each party will make the payments for which it is responsible in Schedule B in accordance with its own payment procedures. In the case of the Energy Alternatives Study, Prince Edward Island will pay the entire cost of the study and will be reimbursed by Canada upon receipt of invoices in respect of the Eligible Expenses as they are incurred for the study.

8. Eligible Expenses

8.1 Eligible Expenses shall include all costs incurred by Canada and Prince Edward Island in implementing and administering program elements under this Agreement, as approved by the Management Committee.

8.2 Without limiting the generality of Section 8.1, Eligible Expenses, as approved by the Management Committee, shall include the following:

(a) costs invoiced to either Prince Edward Island or Canada under a contract for goods or services made pursuant to this Agreement;

(b) the travel expenses of the Management Committee members, or duly appointed sub-committee members in carrying out their duties under this Agreement in accordance with Treasury Board Regulations; and

(c) any other costs expressly approved by the Management Committee as an eligible cost under this Agreement.

8.3 The following costs are not Eligible Expenses:

(a) the cost of using any existing fixed asset of either Prince Edward Island or Canada, which is the property or is in the control of Canada or Prince Edward Island; and

(b) any costs incurred which are greater than the eligible costs budgeted for a program pursuant to paragraph 4.5 (g) unless:

(i) the party implementing the project giving rise to the cost overrun informs the Management Committee immediately when it became aware that a cost overrun was probable, and

(ii) the Management Committee approved the excess amount as an Eligible Expense under this Agreement.

9. Records and Audit

9.1 Canada and Prince Edward Island shall ensure that proper and accurate accounts and records are maintained, for three years following the termination of this Agreement, with respect to each project it is implementing, and shall make those accounts and records available to the other party for audit purposes.

9.2 Canada and Prince Edward Island will provide to any member of the Management Committee on request all information that will indicate the work that has been undertaken or completed, and the costs incurred with respect to any project.

10. Public Information

10.1 The Management Committee shall develop a system to disseminate technical information to the parties and to the public within a reasonable period of time.

10.2 The Ministers will cooperate in making any public announcement of the projects implemented and of the information and products generated by this Agreement, as well as in arranging any official ceremony in respect of a project.

10.3 The parties will cooperate in public information activities relating to this Agreement. The planning of public information activities will be the responsibility of the Management Committee.

10.4 In all public information activities, Canada and Prince Edward Island will be guided by the principle that all interested parties should be kept informed and that the contributions of both parties should be fairly acknowledged and that both parties should have an equal opportunity to participate.

11. Assessment

11.1 During this Agreement, Canada and Prince Edward Island shall carry out an assessment of the activities undertaken pursuant to this Agreement and each shall provide the other with such information as may reasonably be required to carry out this assessment.

12. General

12.1 The laws in effect in Prince Edward Island shall apply to this Agreement.

12.2 Nothing in this Agreement shall be construed as authorizing one party to contract for or to incur any obligation on behalf of the other, or to act as agent for the other.

12.3 All property, including patents, copyrights and other intellectual property and any revenue, acquired as a result of the programs, shall be disposed of, licensed, or otherwise dealt with as the Ministers may from time to time determine.

12.4 No member of the House of Commons, or of the Legislative Assembly shall be entitled to any share or part of this Agreement or to any benefit arising therefrom.

12.5 This document and Schedules A and B form the entire Agreement.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Energy, Mines and Resources, and on behalf of the Province of Prince Edward Island by the Minister of Energy and Forestry.

IN THE PRESENCE OF: GOVERNMENT OF CANADA

_____ _____

Witness Minister of Energy, Mines & Resources

GOVERNMENT OF THE PROVINCE OF PRINCE EDWARD ISLAND

_____ _____

Witness Minister of Energy & Forestry

_____ _____

Witness Premier and President of the Executive Council

SCHEDULE A

ENERGY PROGRAMS TO BE IMPLEMENTED PURSUANT TO THIS AGREEMENT:

I WOOD/BIOMASS PROGRAM

1. This Program encompasses a variety of initiatives aimed at utilizing presently underdeveloped wood/biomass resources on the Island as an alternative fuel source. The objectives of this Program are:

   (a) the reduction of the current dependence upon costly imported fuel by substituting wood/biomass energy supplies which have the potential for economic, employment and developmental spin-offs within the Province;

   (b) the reduction of the outflow of money from the Provincial economy for imported energy supplies;

   (c) the maintenance of the cost competitiveness of Island industry and commerce in the region through mitigation of energy costs, and increased security of supply, resulting in the preservation of employment; and

   (d) the development of energy related expertise and technology.

2. The Wood/Biomass Program will consist of the following separate federal and provincial programs which are intended to complement each other:

   (a) Conversion Incentives Program
   funded and delivered by the federal government, this Program will support the conversion of existing industrial, commercial and institutional space and process heating systems to wood.

(b) Supply Systems
funded and delivered by the provincial government, this Program will provide aid for the development of harvesting and transportation systems and wood fuel processing yards.

(c) Production Development
funded and delivered by the federal government, this Program will research and develop a residential wood-chip burner, and demonstration project.

Each of these Programs will be supported by associated implementation and communication activities.

3. All these initiatives will tie in closely with the objectives of the existing Canada-PEI Forest Resource Development Agreement.

II COMPLETION OF THE ENERGY ALTERNATIVES STUDY FOR PRINCE EDWARD ISLAND

4. The first stage of the study has been completed in draft form. It analyzed and determined the economic and social costs of the various energy supply alternatives: imported oil, conservation technolgy, electricity, propane, natural gas and renewable energy sources. In cooperation with the PEI Department of Energy and Forestry, Phase I was completed in draft from by EMR officials in December 1983, and is to be completed in final form by June 1, 1984.

5. The second stage will determine the private cost of the options examined in Phase I and will estimate the total social and private costs for a selected mix of energy supply options so that the overall effects of scale in fuel supply are determined. The results of the study could point to future initiatives under an ERDA.

6. The federal government will provide $100,000 and the provincial government will provide $25,000 to fund completion of the alternative energy study which will be carried out under

contract to a consulting firm for completion of the alternatives study. The delivery of this study will be the responsibility of the provincial government.

III ENERGY FROM WASTE PROGRAM

7. Canada shall pay for the costs of this Program, which will use agricultural waste as an alternative energy source for specific industries.

IV CHARLOTTETOWN DISTRICT HEATING PLANT STUDY

8. This Study will be funded entirely by Prince Edward Island. A consultant will be engaged to examine a proposed district heating system for Charlottetown.

9. The Study will examine whether the use of wood chips to provide heat energy would generate a large market for wood fuel, thus providing significant economic benefits for private woodlot owners on Prince Edward Island and a further incentive to manage the forests properly.

SCHEDULE B

Federal and Provincial Expenditures Pursuant to Canada-Prince Edward Island Agreement on Alternate Energy Development

		Canada	PEI ($,000)	Total
1.	Wood/Biomass			
	Implementation	150	125	275
	Info/Communications	150	125	275
	Supply System	---	1100	1100
	Conversion Incentives	5000	----	5000
	Product Development	1000	____	1000
	SUB-TOTAL	6300	1350	7650
2.	Phase II; Energy Study	100	25	125
3.	Energy From Waste	1600	----	1600
4.	District Heating	____	625	625
	TOTAL	8000	2000	10000